

## **EXPRESS TERMS**

### **Chapter 3. Data Collection**

#### **Article 6. Qualified Departing Load CRS Exemptions**

##### **Section 1395. Scope**

The regulations in this Article implement the Commission role in providing assessments and forecast of energy related matters within the state. The regulations set forth the mechanism and process for reporting of information by customer generators requesting CRS exemptions. The regulations also set forth the mechanism and process for the Commission to determine and track CRS eligibility of Departing Load.

##### **Section 1395.1 Rules of Construction and Definitions**

The rules of construction and definitions in Section 1302 of Article 1 of this Chapter, and the definitions set forth in this Section, apply to this Article.

- (a) “Backup Generation” means electricity generated by a Customer in order to replace the generation lost from that Customer’s normal supply source, usually the Electric Utility.
- (b) “Best Available Control Technology” means the maximum degree of emissions reduction achievable after taking into account energy, economic, and environmental impacts.
- (c) “Bond Charge” means the California Department of Water Resources (CDWR) Power Supply Revenue Bonds, Series 2002A – 2002E, issued by the State of California October 23, 2002 and November 7, 2002. The Bonds were issued for the purpose of repaying the State’s General Fund for procuring electricity on behalf of Pacific Gas and Electric Company, Southern California Edison, and San Diego Gas & Electric Company from January 17, 2001 to December 31, 2002.
- (d) “CARB” means the California Air Resources Board.
- (e) “CPUC” means the California Public Utilities Commission.
- (f) “Cogeneration” means the sequential use of energy for the production of electrical and useful thermal energy, as set forth in Public Utilities Code section 218.5.
- (g) “Cost Responsibility Surcharge” or “CRS” means energy cost obligations consistent with CPUC Decision 03-04-030. CRS-related costs are recoverable from eligible customers on a cents-per-kilowatt basis and include the following components:
  - (1) Costs associated with the procurement of power by the Southern California Edison Historic Procurement Charge;

- (2) Costs associated with the procurement of power by the CDWR for purchases made between January 17, 2001 and December 31, 2002;
  - (3) Costs associated with the power contracts entered into by the CDWR on behalf of Pacific Gas and Electric Company, Southern California Edison, and San Diego Gas & Electric Company for procurement beginning January 1, 2003; and
  - (4) Tail Competition Transition Charge, as defined in Public Utilities Code section 367(a).
- (h) “CRS Exemption” means the avoidance of the payment of a Cost Responsibility Surcharge, as defined in subsection (g), if a customer is eligible. Eligibility is based on provisions outlined in CPUC Decision 03-04-030.
- (i) “CRS Exemption Queue” or “Queue” means the list of CRS Exemption Requests either approved or pending Commission eligibility determination of a CRS Exemption. The Commission shall maintain the Queue in electronic format with aggregated totals posted on the Commission website. Only capacity of unit customer applying for exemption intends to install shall be listed, or made publicly available. Identification and location of customer applying for exemption shall be deemed confidential pending final determination of eligibility.
- (j) “Commission” means the California Energy Resources Conservation and Development Commission.
- (k) “Customer Generation” means cogeneration, renewable technologies or any other type of generation that is dedicated wholly or in part to serve a specific customer’s load, and generally located at or near the point of consumption.
- (l) “Departing Load” means that portion of the utility customer’s electric load for which the customer: (1) discontinues or reduces its purchase of bundled or direct access service from the utility; (2) purchases or consumes electricity supplied and delivered by Customer Generation to replace the utility or Direct Access purchases; and (3) remains physically located at the same location or elsewhere within the utility’s service territory as of the date on which this Commission decision becomes effective. Departing Load does not apply to changes in the distribution of load among accounts as a customer site with multiple accounts, load resulting from the reconfiguration of distribution facilities on the customer site, provided that the changes do not result in a discontinuance or reduction of service from the Utility at that location. It also does not apply to Departing Load that physically disconnects from the utility grid.
- (m) “DL CRS Information Form” or “Form” means the document containing pertinent information from the Customer necessary for the Commission to determine whether or not a Customer is eligible for a CRS Exemption. The Form is contained in Appendix A of Section XXX.

- (n) “Electric Utility” means investor-owned utility. In this case, Electric Utility refers to Pacific Gas and Electric Company, Southern California Edison, or San Diego Gas and Electric.
- (o) “Full CRS Exemption” means that Customers are excluded from paying surcharges associated with the Cost Responsibility Surcharge defined in subsection (g) of this section.
- (p) “Megawatt Cap” means the total amount of generating capacity, expressed in megawatts, eligible for a CRS Exemption, consistent with the provisions of CPUC Decision 03-04-030 and subsequent CPUC Decisions.
- (q) “Net Energy Metering” shall have the same definition as set forth in Public Utilities Code 2827(b)(3).
- (r) “Partial CRS Exemption” means that Customers are excluded from paying surcharges associated with the Cost Responsibility Surcharge as defined in subsection(g)(2) and subsection (g)(3). The extent that a customer may be eligible for an exemption is based on the criteria set forth in Section 1395.2(c)(4), consistent with CPUC Decision 03-04-030.
- (s) “Ultra Clean and Low-emissions” shall have the same definition as set forth in Public Utilities Code 353.2.

**Section 1395.2                    General Requirements for Eligibility to be Exempt from the Cost Responsibility Surcharge and Information to Report**

- (a) Customer shall submit a DL CRS Information Form to the Electric Utility.
- (b) Electric Utility shall conduct an initial review and determine whether the Form is complete.
  - (1) If the Form is incomplete, the Electric Utility shall notify the Customer within 10 calendar days upon receipt of the Form that additional information is needed to process the request for a CRS Exemption. The notification shall indicate which portion(s) of the Form require supplemental information.
  - (2) If the Form is complete, then the Electric Utility shall within 10 calendar days upon receipt of the Form:
    - (A) Provisionally categorize each project;
    - (B) Identify the conditions that must be met to receive final project categorization; and
    - (C) Transmit completed Form with provisional project categorization to the Commission, with a copy to the Customer serving as official notification.
- (c) Upon receipt of a completed Form with provisional project categorization from the Electric Utility, the Commission shall review the completed Form and determine if the Customer is eligible for a CRS Exemption and if there is space available under the

designated Megawatt Cap. The Commission shall designate the initial determination of eligibility to the appropriate Committee assigned to matters concerning distributed generation.

- (1) The Commission shall deny any CRS Exemption request that is considered Backup Generation or diesel-fired customer generation, consistent with CPUC D.03-04-030.
- (2) The Commission shall deny a CRS Exemption request if the Customer does not meet the criteria outlined in the following subsection. In this instance, the Commission shall provide written notification to the customer and the Electric Utility about the specific reasons for the rejection within 10 calendar days of the denial.
- (3) The Commission shall approve a Full CRS Exemption, subject to an aggregate 3,000 Megawatt Cap, if the Customer is:
  - (A) Eligible for funding under the CPUC's Self-Generation Incentive Program;
  - (B) Eligible for funding under the Commission's Renewable Energy Program Emerging Buydown Program; or
  - (C) A Net Energy Metering Customer.
- (4) The Commission shall approve a Partial CRS Exemption if the total capacity request is within the Megawatt Cap and the Customer is:
  - (A) Classified as Ultra Clean and Low-Emissions and Over One Megawatt. In order to be classified in this category :
    - (i) The Commission shall verify that the generating equipment is equal to zero emissions or less than the 2007 State Air Resources Board Emissions Limit for Distributed Generation.
    - (ii) The Commission shall verify that technologies operating by combustion must operate in a combined heat and power application with at least a 60 percent system efficiency.
  - (B) Sponsored by the University of California or the California State University System, subject to the following Megawatt Caps:
    - (i) 10 megawatts by the end of 2004;
    - (ii) 80 additional megawatts by the end of 2008; and
    - (iii) 75 additional megawatts thereafter; or
  - (C) Other customer generation not qualifying under (A) and (B) of this subsection, or subsection (3) of the previous Subsection, subject to meeting air district best available control technology standards and the following Megawatt Caps:
    - (i) 600 megawatts by the end of 2004;
    - (ii) 500 additional megawatts by the end of 2008; and
    - (iii) 400 additional megawatts thereafter.

### **Section 1395.3          CRS Exemption Queue and Procedures for Updating**

- (a) A CRS Exemption Queue shall be established by the Commission and be based on a first-come, first-served basis, utilizing the criteria outlined in Section 1395.2. Forms shall be date-stamped upon receipt by the Commission.
- (b) The CRS Exemption Queue will be publicly accessible via the Commission's website. Information to be displayed on the Commission website will be limited to: 1) the date of a CRS Exemption Request; 2) the date a pending CRS Exemption Request expires; and 3) the capacity of the project, expressed in kilowatts.
- (c) The Commission shall track all Forms and determine Customer eligibility for a CRS Exemption. Once determining eligibility, the Commission shall place the Customer request in the CRS Exemption Queue, subject to the Megawatt Cap.
  - (1) If the Customer request falls within the Megawatt Cap:
    - (A) The Commission will notify the Electric Utility and the Customer whether the request falls within the Megawatt Cap.
    - (B) The Commission will notify the Electric Utility and the Customer that the CRS Exemption Request has been approved and the Electric Utility will not include the appropriate Cost Responsibility Surcharges in the Customer's electricity bill.
  - (2) If the Customer request does not fall within the Megawatt Cap:
    - (A) The Commission will:
      - (1) Notify the Electric Utility and the Customer that the request does not fall within the Megawatt Cap;
      - (2) Place the Customer request on the CRS Exemption Queue ranked in order of receipt.
- (d) The Commission will update the CRS Exemption Queue weekly in order to ensure timely and efficient Customer access to a CRS Exemption. In doing so, the Commission shall:
  - (1) Remove CRS Exemption requests if a Customer does not commence operation within twelve months from the date a CRS Exemption request is approved by the Commission; and
  - (2) Incorporate any changes to the Megawatt Cap as determined by the CPUC in Rulemaking 02-01-011 or subsequent proceedings.
- (e) The Electric Utility shall notify the Commission when an eligible Customer commences operation of its generating facilities.

### **Section 1395.4          Appeals**

- (a) If the Commission has determined that a Customer is either not eligible or the Customer disputes the initial categorization of the exemption by the Electric Utility,

the Customer may file a written request for reconsideration of the determination or initial categorization with the Commission.

- (b) If the Commission has determined that the time allowed to remain in the Queue has expired, the Customer may file a written request for reconsideration by the Commission, and request an extension of the time to remain in the Queue. Any request for an extension of time must be based on good cause, and demonstrate circumstances beyond the Customer's control.
- (c) Written request for re-determination or an extension of time shall be sent to the Commission within thirty (30) days of the customer generator receiving notice of either non-eligibility or expiration of time allowed within the queue.
- (d) The Commission shall review the written request for re-determination or extension of time within sixty (60) days of receipt.
- (d) Upon approval by the full Commission the decision shall become final.